

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Rulemaking to implement the provisions of  
Public Utilities Code § 761.3 enacted by  
Chapter 19 of the 2001-02 Second Extraordinary  
Legislative Session.

Rulemaking 02-11-039  
(Filed November 21, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SETTING DATES FOR PLEADINGS ON COMMISSION  
IMPLEMENTATION AND ENFORCEMENT OF  
GENERATOR OPERATION STANDARDS**

**1. Summary**

This Ruling sets dates for parties to file and serve pleadings on Commission implementation and enforcement of Generator Operation Standards.

**2. Commission Enforcement of  
Committee-Adopted Standards**

The California Electricity Generation Facilities Standards Committee (Committee) is scheduled to consider and adopt Generator Operation Standards at its meeting on October 8, 2004.<sup>1</sup> Pursuant to Pub. Util. Code § 761.3(a), the

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<sup>1</sup> Operation Standards may be accessed via the following web link: <http://www.cpuc.ca.gov/static/cegfsc/index.htm>. By letter dated August 23, 2004, Presiding Officer Wood stated that the "Committee tentatively plans to meet on Friday, October 8, 9 a.m. to 11:30 a.m. to review and adopt the final version of the Operations Standards."

California Public Utilities Commission (Commission) is responsible for implementation and enforcement of those standards.

To assist the Commission with its responsibility, parties may file and serve pleadings by the dates in Attachment A. Parties should file and serve comments and reply comments on Commission implementation and enforcement assuming the Committee adopts Operation Standards consistent with (or very close to) those proposed on August 23, 2004. If the Committee-adopted final Operation Standards differ in any material way that in turn affects a party's comments or reply comments, parties may file and serve supplemental comments and supplemental reply comments by the dates in Attachment A. In any pleading, parties need not repeat comments already stated in prior pleadings, but should summarize comments relevant to the issues therein with citation to the prior pleading.

In particular, parties should comment on the proposals for Commission implementation and enforcement in Attachment B. These proposals change General Order (GO) 167 to do four things:

1. Include Generator Operation Standards (GO Sections 2, 3, 8, 15, and Appendix D);
2. Clarify the expiration of General Duty Standards (GO Section 4);
3. Clarify the effective date for these changes (GO Sections 4 and 15); and
4. Correct a prior error (GO Section 15.1.1 incorrectly listed subsection 7.5; this is corrected to subsection 7.4).

To be most useful, comments must include the specific wording for GO 167 that the party recommends for adoption by the Commission. Motions

for formal hearing must include the items stated in the February 19, 2003 Scoping Memo and Ruling.

Another ruling will be issued if the Committee does not adopt final Operation Standards on October 8, 2004. That Ruling will set new dates for the filing and service of supplemental comments and other pleadings based on the date of the rescheduled Committee meeting, or otherwise clarify the schedule as necessary.

### **3. Reminder on Filing and Service of Pleadings**

As stated in the Scoping Memos dated February 19, 2003, and May 2, 2003, parties should use reasonable efforts to employ the same outline for filed pleadings (e.g., proposals, comments, reply comments). This practice promotes understandability, consistency and completeness. It also facilitates organization for replies to opening documents.

An original and four copies of each pleading must be filed with the Commission. Service shall be by electronic mail, with a paper copy served on each person who does not have an electronic mail address, and on each person who requests a paper copy. In addition to electronic service, parties shall serve a paper copy on Administrative Law Judges Thorson and Mattson.

**IT IS RULED** that parties may file and serve pleadings (e.g., comments, reply comments, supplemental comments, supplemental reply comments, motions, responses to motions) on Commission implementation and enforcement of Generator Operation Standards. Pleadings shall be filed and served by the dates in Attachment A. In particular, parties should comment on the specific proposals in Attachment B, and shall state the exact wording a party recommends for adoption by the Commission if different than in Attachment B.

Motions for hearing shall include the items stated in the February 19, 2003  
Scoping Memo and Ruling.

Dated September 13, 2004, at San Francisco, California.

/s/ BURTON W. MATTSON

Burton W. Mattson  
Administrative Law Judge

**ATTACHMENT A**

**R.02-11-039**

**SCHEDULE REGARDING PLEADINGS ON  
IMPLEMENTATION AND ENFORCEMENT OF  
GENERATOR OPERATION STANDARDS**

<b>Item</b>	<b>Schedule</b>
Proposals and comments filed and served on Commission implementation and enforcement of Generator Operation Standards	9/27/04
Reply comments filed and served	10/4
Committee adopts Generator Operation Standards	10/8
Supplemental proposals and comments filed and served	10/15 [1]
Supplemental reply comments filed and served	10/20
Motions for formal hearing (FH)	10/21
Responses to motions for FH	10/22
Draft Decision (DD) filed and served	11/2 [2]
Comments on DD	11/22
Motions for Final Oral Argument (FOA)	11/22
Responses to Motions for FOA	11/23
Reply comments on DD	11/29
FOA (if motion made and granted)	11/29
Commission Decision	12/2

[1] A subsequent ruling will set new dates for each item after October 8, 2004, or otherwise clarify the schedule as necessary, if the Committee does not adopt the final Operation Standards on October 8.

[2] Assumes no formal hearing. The schedule will be adjusted if motion for formal hearing is made and granted.

**(END OF ATTACHMENT A)**

**ATTACHMENT B**  
**PROPOSED CHANGES TO**  
**GENERAL ORDER 167**

**SUMMARY:**

Proposed changes to the General Order (GO) are:

1. Add Generator Operation Standards (GO Sections 2, 3, 8, 15 and Appendix D)
2. Clarify the expiration of General Duty Standards (Section 4)
3. Clarify effective dates (Sections 4 and 15)
4. Correct prior typographical error (Section 15.1.1)

To do this, specific changes are proposed to the following sections:

- |                |                               |
|----------------|-------------------------------|
| A. Section 2:  | Definitions                   |
| B. Section 3:  | Required Compliance           |
| C. Section 4:  | General Duty Standards        |
| D. Section 8:  | Generator Operation Standards |
| E. Section 15: | Miscellaneous Provisions      |
| F. Appendix D: | Generator Operation Standards |

**SPECIFIC CHANGES:**

**A. SECTION 2: DEFINITIONS**

- 2.14 “Generator Operation Standards” means \_\_\_\_\_ [“Operations Standards for Generators”] adopted by the Committee on \_\_\_\_\_ [October 8, 2004], and filed with the Commission on \_\_\_\_\_ [October 8, 2004]. The Generator Operation Standards are set forth as Appendix D to this General Order. “Generator Operation Standards” also includes any subsequent amendments or revisions to those standards.
- 2.15 “Initial Certification” means the first document filed by a Generating Asset Owner for a specific Generating Asset certifying that the Generating Asset Owner has adopted and is implementing a Maintenance Plan for that Generating Asset as required by Section 7.2.2 of this General Order, or an Operation Plan for that Generating Asset as required by Section 8.2.2.

**B. SECTION 3: REQUIRED COMPLIANCE**

- 3.3 Medium Facilities. Generating Assets of one megawatt or larger but smaller than 50 megawatts are exempt from Generator Logbook Standards (Hydroelectric Energy), Generator Logbook Standards (Thermal Energy), Generator Maintenance Standards, and Generator Operation Standards. Accordingly, such Generating Assets are subject to all requirements of this General Order except for sections 5, 6, 7, and 8 as provided by subsections 5.2, 6.2, 7.4, and 8.4 respectively. Notwithstanding these exemptions, such facilities must follow prudent practices as required by sections 5.2, 6.2, 7.4 and 8.4.

**C. SECTION 4: GENERAL DUTY STANDARDS**

- 4.3 Section 4.0 ceases to be applicable on and after \_\_\_\_ [e.g., December 2, 2004--the effective date of the CPUC decision to implement and enforce Operation Standards]. General Duty Standards have been incorporated as necessary and appropriate for (a) facilities 50 megawatts and larger in the specific Maintenance and Operation Standards (Sections 7.0 and 8.0 along with Appendices C and D), and (b) medium facilities in Items 5.2, 6.2, 7.4 and 8.4.

**D. SECTION 8: GENERATOR OPERATION STANDARDS**

**8.0 GENERATOR OPERATION STANDARDS**

- 8.1 Applicability of Standards. All Generating Asset Owners shall operate their Generating Assets in compliance with the Generator Operation Standards.
- 8.2 Initial Certification of Operation Plans.
- 8.2.1 Content of Operation Plan. An Operation Plan is a paper or electronic document that demonstrates how the Generating Asset Owner's ongoing and routine practices concerning a Generating Asset satisfy the Generator Operation Standards enforced under this General Order. CPSD may specify the contents and format of the plan. To the extent CPSD does not so specify, the plan may be in the form of a narrative, index, spreadsheet, database, web site, or other format. Existing equipment manuals, checklists, warranty requirements, and other documents may be identified to demonstrate compliance; but, if any of these documents are contradictory, the Operation Plan will resolve the contradiction. The Operation Plan shall include:



8.2.1.1. A general description of how the Generator meets or plans to meet the provisions of each Operation Standard and relevant Guideline, identifying by title and summarizing the various operating policies, procedures, and routines the Generator has in place (or will put in place) for that purpose.

8.2.1.2. Timetables for implementation, review, and training in the operations policies, to assure that employees and contractors stay aware of and follow the operating policies.

8.2.1.3. For each critical system, a list of critical parameters that the GAO will monitor, along with alerts and action levels for each of those parameters for both normal and emergency operations.

8.2.1.4. A list of records (and their locations) to be kept, demonstrating compliance with the Generator's own plan.

8.2.2 Certificate of Compliance. For each Generating Asset, the Generating Asset Owner shall certify to CPSD that it has adopted and is implementing an Operation Plan that complies with the Generator Operation Standards.

8.2.3 Certificate of Noncompliance. If a Generating Asset Owner is unable to so certify as required by subsection 8.2.2, the Generating Asset Owner shall certify to CPSD that it has (a) identified and documented the deficiencies in its operation practices; and (b) adopted a Corrective Plan that is reasonably designed to achieve compliance with the Generator Operation Standards within 90 days of the certification. The Corrective Plan will document how the Generating Asset Owner's ongoing and routine business practices concerning a Generating Asset do not satisfy the Operation Standards, the procedures and criteria that will be developed to satisfy the Operation Standards, the persons or entities responsible for addressing the deficient procedures or criteria, and a

timetable for achieving compliance with the Generator Operation Standards.

8.2.4 Time of Filing. For each Generating Asset in Active Service on the effective date of Section 8.0 of this General Order, the Generating Asset Owner shall file the Initial Certification within 90 days of the effective date of this section of the General Order.

8.2.5 Time of Filing for Other Assets. For each Generating Asset placed in Active Service after the effective date of Section 8.0 of this General Order, the Generating Asset Owner shall file the Initial Certification within 90 days of the Generating Asset being placed in Active Service. When a Generating Asset Owner acquires a Generating Asset from an existing Generating Asset Owner, the new owner shall file its Initial Certification within 90 days of the effective date of the transfer of title or within 90 days of the transfer of possession, whichever date is later.

8.3 Operation and Corrective Plan Availability. The current Operation or Corrective Plan for each Generating Asset will be available in the vicinity of each Generating Asset or, in the case of a plant or facility with multiple Generating Assets, in the central business office located at that plant or facility. Upon CPSD's request, a Generating Asset Owner shall submit the current Operation or Corrective Plan to CPSD in the manner specified in subsection 15.2 of this General Order.

8.4 Exemption. Generating Assets smaller than 50 megawatts are exempt from the entirety of Section 8.0. Notwithstanding this exemption, generating assets one megawatt or larger and smaller than 50 megawatts are required to observe the following requirements:

- 8.4.1. Each facility shall be operated in a safe, reliable, and efficient manner that reasonably protects the public health and safety of California residents, businesses, and the community.
- 8.4.2. Each facility shall be operated so as to be reasonably available to meet the demand for electricity, and promote electric supply system reliability, in a manner consistent with prudent industry practice.
- 8.4.3. Each facility shall be operated in a reasonable and prudent manner consistent with industry standards while satisfying the legislative finding that each facility is an essential facility providing a critical and essential good to the California public.

**E. SECTION 15: MISCELLANEOUS PROVISIONS**

- 15.1.1 Periodic Recertifications. For each Generating Asset not exempted under subsections 5.2, 6.2, 7.4, or 8.4, the Generating Asset Owner shall file a recertification that it continues to maintain logbooks as required under sections 5.0 or 6.0 of this General Order and continues to implement a Maintenance Plan and Operation Plan, as described in subsections 7.2.1 and 8.2.1 of this General Order, in a manner that complies with the Generator Maintenance Standards and Generator Operation Standards. The recertifications will be filed every other year pursuant to a schedule to be determined by CPSD.
- 15.12 Effective Date. This General Order is effective on the third day following the mailing of the Commission's decision adopting this General Order, except for Generator Operation Standards. The Generator Operation Standards items (Section 8.0 and Attachment D, plus related parts in Sections 2, 3, 4 and 15) are operative on the third day following the mailing of the Commission's decision implementing and enforcing Generator Operation Standards.

**F. APPENDIX D: GENERATOR OPERATION STANDARDS**

Note: This will be the document adopted by the Committee at its October 8, 2004 meeting, but will not include the guidelines portions.

**(END OF ATTACHMENT B)**

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Dates for Pleadings on Commission Implementation and Enforcement of Generator Operation Standards on all parties of record in this proceeding or their attorneys of record.

Dated September 13, 2004, at San Francisco, California.

/s/ TERESITA C. GALLARDO  
Teresita C. Gallardo

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.